NO 400-1 A

The Aluminum Situation

DEPARTMENT OF ECONOMICS AND STATISTICS **SEPTEMBER 1989**

INDUSTRY SHIPMENTS INCREASE 0.2%

Total industry net shipments for seven months of 1989, reported at 9,575 million pounds, were up 0.2 percent from the seven month 1988 total of 9,559 million pounds.

Domestic shipments of 8,299 million pounds decreased 4.1 percent from the seven month 1988 total of 8,657 million pounds.

Exports of ingot and mill products of 1,276 million pounds are up 41.5 percent from seven months of 1988. Imports decreased 7.9 percent for the same period.

THRU JULY 1989

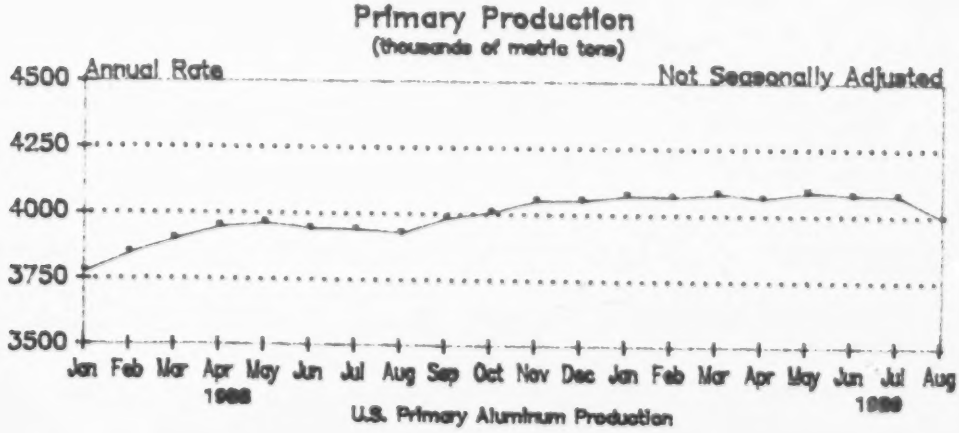
	1989 7 Mos.	1988 7 Mos.	% Change
Mill Products	7,862	7,769	1.2
Ingot	1,714	1,790	-4.3
Total	9,575	9,559	0.2
Less Exports	1,276	902	41.5
Domestic Total	8,299	8,657	-4.1

Figures in Millions of Pounds
Source: Bureau of the Census
U.S. Department of Commerce

* * * * *

PRIMARY PRODUCTION DAILY RATE AVERAGES 10,939 METRIC TONS

U.S. primary aluminum production averaged 10,939 metric tons daily during August 1989. This compares with an average of 10,728 metric tons a day in August 1988 and 11,172 metric tons a day in July 1989. The annual rate of production in August 1989 was 3,992,570 metric tons compared with 3,926,448 metric tons in August 1988 and 4,077,851 metric tons in July 1989. Actual production in August 1989 was 339,095 metric tons.

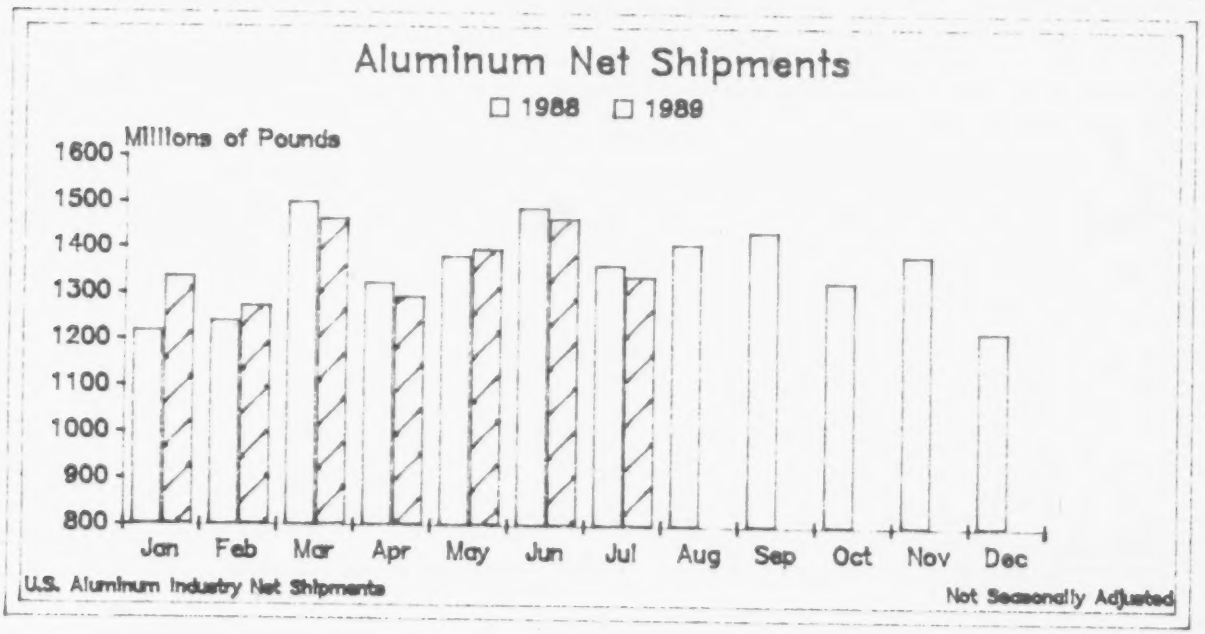


This report contains information reported to the Association by the domestic producers, which is aggregated by the Association. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

The Aluminum Situation
the Aluminum Association
900 19th Street, N.W. Washington, D.C. 20006
Phone (202) 862-5100

INDUSTRY NET SHIPMENTS INCREASE 0.2 PERCENT

Total industry net shipments for seven months of 1989, reported at 9,575 million pounds, were up 0.2 percent from the seven month 1988 total of 9,559 million pounds. Domestic shipments of 8,299 million pounds decreased 4.1 percent from the seven month 1988 total of 8,657 million pounds.

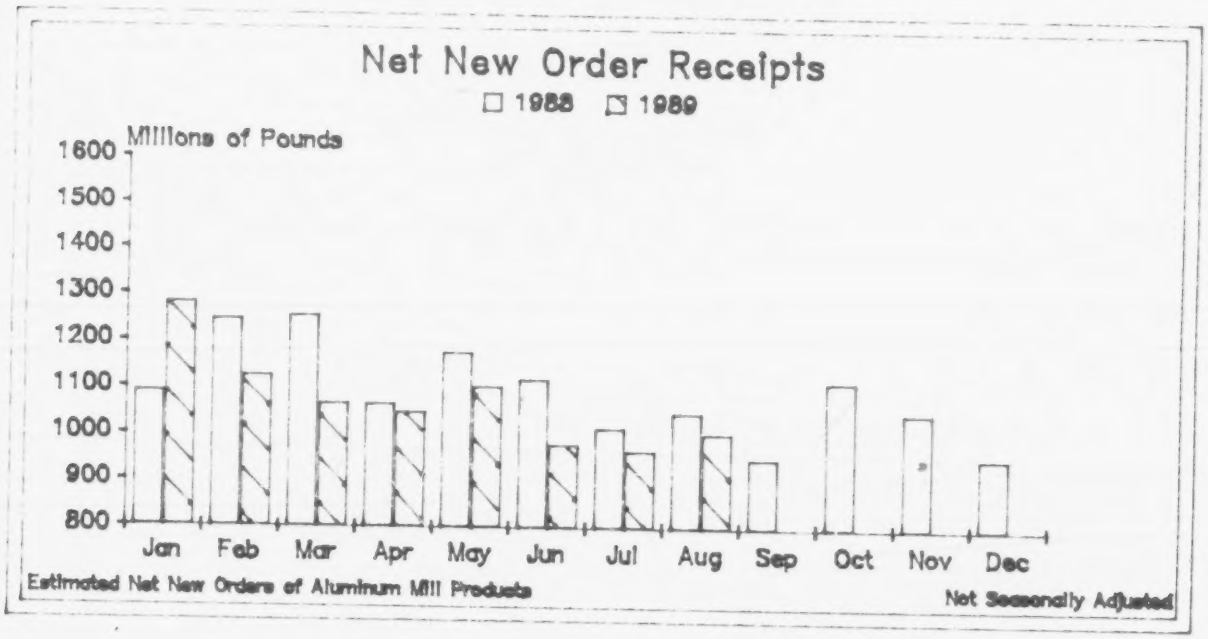


NET SHIPMENTS (Millions of Pounds)	1989 July	1988 July	1989 7 Mos.	1988 7 Mos.	% Change 1989 vs 1988
Sheet	641.1	595.0	4,449.1	4,152.1	7.2
Plate	24.3	21.8	186.3	176.9	5.3
Foil	69.4	68.1	521.1	568.0	-8.3
Rod,Bar & Wire	12.6	17.5	165.0	181.3	-9.0
Elec. Conductor	53.4	52.0	415.1	379.6	9.3
Extruded Shapes,Tube	219.5	220.1	1,594.4	1,594.2	0.0
Powder & Paste	6.9	6.9	52.9	51.2	3.3
Forgings & Impacts	12.3	12.8	94.2	100.1	-5.9
Net Imports of Mill Products (Total) (a)	52.9	92.4	383.5	565.5	-32.2
Total Mill Products	1,092.4	1,086.5	7,861.6	7,768.9	1.2
Ingot	247.7	219.7	1,713.6	1,789.7	-4.3
TOTAL INDUSTRY SHIPMENTS	1,340.0	1,306.2	9,575.2	9,558.6	0.2
Exports	182.0	152.4	1,276.2	901.8	41.5
TOTAL DOMESTIC SHIPMENTS	1,158.0	1,153.8	8,299.0	8,656.8	-4.1

Source: Bureau of the Census, U.S. Department of Commerce - CIR M33-D
Note: Cummulative data may include revisions for previous periods
(a) Not included in product data above.

NET NEW ORDER RECEIPTS DOWN 4.9 PERCENT

Estimated net new order receipts of aluminum mill products for eight months of 1989, totaling 8,590 million pounds, declining 4.9 percent from a eight month 1988 total of 9,032 million pounds. August order receipts of 1,007 million pounds increased 4.0 percent from a July 1989 figure of 969 million pounds.



ORDER RECEIPTS (Millions of Pounds)	1989 August	1988 August	1989 8 Mos.	1988 8 Mos.	% Change 1989 vs 1988
Sheet & Plate, Other	326.2	315.2	2,789.2	3,055.9	-8.7
Can Stock (a)	261.9	293.6	2,786.6	2,726.0	2.2
Foil	88.5	76.7	680.4	681.2	-0.1
Bar, Rod & Wire	33.3	39.6	277.4	319.1	-13.1
Electrical Conductor	52.6	68.7	452.2	519.2	-12.9
Extruded Shapes & Tube	223.9	228.5	1,425.4	1,553.5	-8.2
Powder & Paste	8.1	15.7	75.5	73.5	2.7
Forgings & Impacts	12.5	12.9	103.6	103.1	0.5
Total Mill Products	1,007.0	1,050.9	8,590.3	9,031.5	-4.9

Source: The Aluminum Association estimates total industry orders (including orders for imports) based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available on a subscription basis.
Note: Cummulative data includes revisions for previous periods.
(a) Domestic only. Orders for exports of Can Stock are included in Sheet and Plate, Other.

PRODUCER INVENTORIES JUMP 164 MILLION POUNDS

Producer inventories increased in July 1989 to an estimated total of 4,439 million pounds. This represents an 164 million pound jump from the June 1989 level of 4,275 million pounds.

Month-End Aluminum Producer Inventories
By Type of Producer
(Figures in Millions of Pounds)

	Total	Ingot	Scrap	All Other
May	4,262	1,439	521	2,302
June	4,275	1,513	595	2,167
July (e)	4,439	1,638	637	2,164

Source: Bureau of the Census, U.S. Department of Commerce.
(e) Estimated by the Aluminum Association

CUSTOMER INVENTORIES REPORTED AT 33.3 DAYS

Respondents to the Association's Customer Inventory Survey reported that their Average Days Inventory as of July 31, 1989 was 33.3, up 2.7 percent from inventories reported at the end of June 1989.

Month-End Aluminum Customer Inventories
(Average Number of Days)

May	34.4
June	32.4
July	33.3

Source: Aluminum Association - Customer Inventory Position Survey

U.S. IMPORTS & EXPORTS (Millions of Pounds)		1989* July	1988 July	1989* 7 Mos.	1988 7 Mos.	% Change 1989 vs 1988
Imports	Mill Products	75.6	98.8	579.9	604.8	-4.1
	Ingot	158.6	174.6	1,271.5	1,404.3	-9.5
	Total	234.2	273.4	1,851.4	2,009.1	-7.9
	Scrap (+ dross)	38.3	37.0	274.1	266.1	3.0
	Grand Total	272.6	310.4	2,125.5	2,275.2	-6.6
Exports	Mill Products	83.6	60.5	671.5	478.0	40.5
	Ingot	98.5	91.9	604.6	423.8	42.7
	Total	182.0	152.4	1,276.2	901.8	41.5
	Scrap	95.1	110.9	730.0	575.2	26.9
	Grand Total	277.2	263.3	2,006.2	1,477.0	35.8
Net Imports		-4.6	47.1	119.3	798.2	-85.0

Source: Bureau of the Census, U.S. Department of Commerce.
(*) Data may not be comparable to previous years due to changes in trade classifications effective January 1, 1989